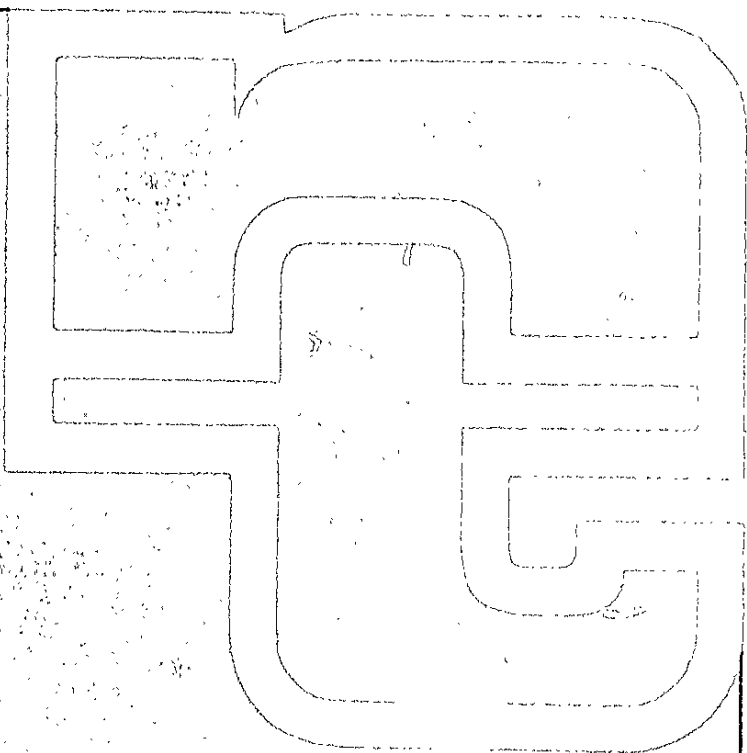


No 29131

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Report and Accounts

1937



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Notice of Meeting

Notice is hereby given that the eighty-eighth Annual General Meeting of the Company will be held at the Midland Hotel, Birmingham on Friday, 25th November, 1977 at 12 noon to transact the following business:

- 1 To receive the Directors' Report and Accounts for the year ended 31st July 1977.
- 2 To declare a dividend.
- 3 To elect a director.
- 4 To re-appoint Messrs. Deloitte & Co. as auditors of the Company in accordance with Section 14 of the Companies Act 1976.
- 5 To authorise the directors to fix the remuneration of the auditors.
- 6 To transact any other ordinary business.

A member entitled to attend and vote may appoint one or more proxies to attend and, on a poll, vote on his behalf. A proxy need not be a member of the Company.

Hospital Street
Birmingham B19 2YG

By order of the Board
William E. Clarkson
Secretary
2nd November 1977

Notes:

- 1 The following information is available for inspection at the registered office during business hours and at the place of the Annual General Meeting from 11.45 a.m. until the conclusion of the meeting:
a statement of transactions of directors (and their family interests) in the share capital of the Company and its subsidiaries;
copies of contracts of service between the directors and the Company or its subsidiaries.
- 2 Warrants for the dividend if approved will be posted on the 9th December 1977.
- 3 Finance Act 1965. The Company is not a close company under the provisions of this Act. The adjusted market price of the Company's shares on 6th April 1965 was 58.75p
- 4 Any change of address should be notified immediately to the Registrars.

2

Newman-Tonks Limited

President

H. Norman Wright

Directors

Michael L. B. Wright

Chairman

Edward T. Barnes

Managing Director

William E. Clarkson

James F. Williams

Herbert C. Shead

Timothy C. Frankland

Secretary

William E. Clarkson

Auditors

Deloitte & Co.

Chartered Accountants

Solicitors

Wragge & Co.

Principal Bankers

Barclays Bank Limited

Midland Bank Limited

Registered Office

Hospital Street

Birmingham B19 2YG

Registrar's Office

Hill Samuel Registrars Limited

6 Greencoat Place

London SW1P 1PL

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Group results

I am pleased to be able to report an increase of approximately 70% in the pre-tax profit, compared with 1976, with a figure for the year of £1,725,000. Sales for the year were £20 million compared with £16.3 million for the previous year.

The directors, therefore, recommend a final payment of 2.83p per share, making a total of 3.63p per share for the year - the maximum permitted.

Review

The general recession in the construction industry during the last year or so has obviously had an influence on the performance of the two principal divisions of the Group - hardware and engineering. Nevertheless, they have both performed remarkably well against their sales budgets.

Capital investment in plant has been considerable during the year under review and an additional building has been purchased for the hardware division adjacent to the main factory. The contribution to Group profits by this division over the last few years has been disappointing but I am confident that, with the re-organisation and capital injection which is taking place at the moment, it will be in a position to give an acceptable return on the capital employed in the near future.

The engineering division, which has always made the largest contribution to Group profits, is now able not only to consolidate its predominant position in the United Kingdom for the production of overhead door closers but can also compete in world markets with a product which is universally accepted for its quality and design.

The performance of most of our subsidiary companies against budget has been commendable and they have made a significant contribution to Group profits.

Architectural Hardware and Auto Pressings have been absorbed into a new factory in Leicester where the 'Simclose' door closer is being manufactured together with a variety of components for the Group and sub-contract work for special tooling.

Newpeer Aluminium Limited, the factory we purchased in the Republic of Ireland in conjunction with the Peerless Stampings Group last year, has commenced production of aluminium diecastings for the motor trade and the new 'Tristar' low cost door closer which will complement our range of 2000 Series Briton door closers. I believe this company will make a useful contribution to Group profits in the current year.

Overseas activities

Our Australian and South African companies have put in creditable performances. Both these companies are largely in the building industry and they have more than retained their share of a temporarily declining market.

It would be appropriate here to mention the criticism there has been in this country of the wage differential between white and coloured workers in South Africa and should any shareholder wish to compare the rates of pay in our South African company, these are available at Group headquarters.

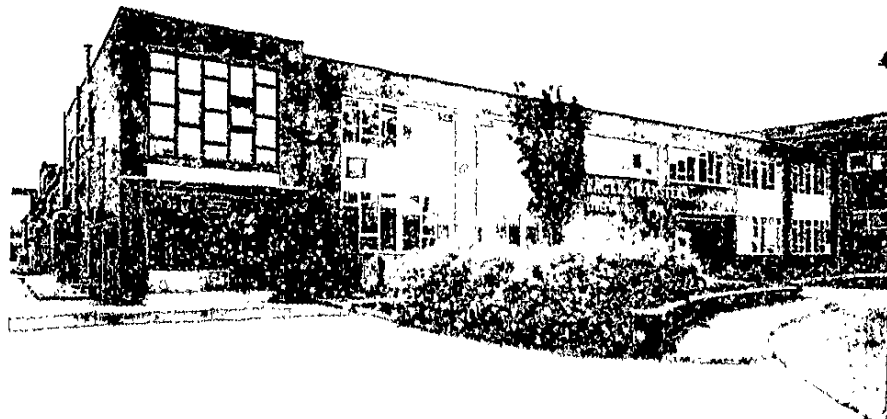
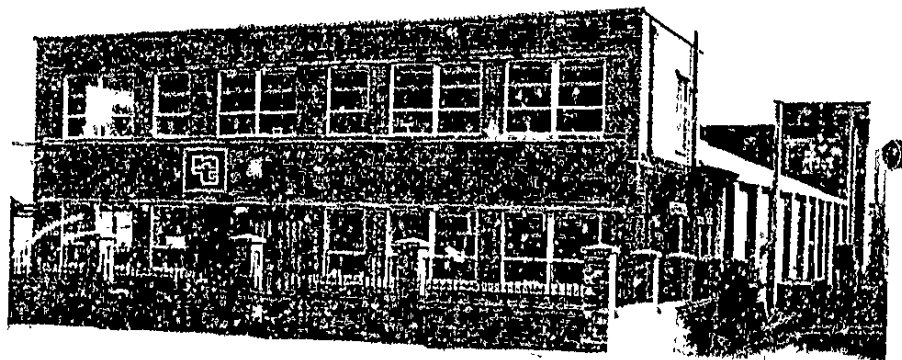
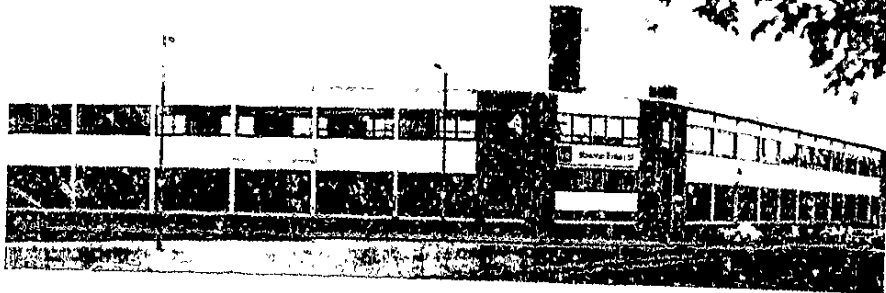
The Group Chairman, Mr. Michael L. B. Wright with Mr. Arthur Stokes, Managing Director of Newpeer Aluminium Limited at Newpeer Factory, Limerick, Republic of Ireland

Line of Multi Spindle Aules, Engineering Shop, Newpeer, Limerick

New Factory for Hardware Division, * 9080808 Street, Newtown, Birmingham

Auto-Pressings Limited, Architectural Hardware Limited, Parker Drive, Leisener

Eagle Transfers Limited, Hermes Road, Lichfield.



Acquisitions

Since the end of the financial year we have acquired Parow & Whight Limited of Williamstown, Victoria, Australia. This company manufactures plumbing fittings which gives our Australian company a measure of diversification and also an adequate production area in which to absorb our existing factory in Melbourne. This latter factory will be sold and the land we purchased in Altona, on which we proposed to build a new factory will no longer be required and has been sold.

New products

We believe there is an increasing growth area for property protection equipment and we have recently launched a system which has been specifically designed for domestic and small commercial premises. The equipment has been developed by a company we have formed, Newman (Controls) Limited, Bristol, and in addition an agreement has been signed with an Italian group of companies to market their extensive range of security and control equipment in the United Kingdom from the beginning of 1978. Newman Controls have also taken over responsibility for selling Newman-Tonks's fire door and associated equipment.

Exports

Our direct exports have again increased in volume but it is impossible to assess the value of indirect exports which have been channelled through our merchant customers. However, in view of the general decline in the past year of the U.K. market for architectural and builders' hardware and the fact that the Group has increased its volume of sales of these products in the U.K., we can only assume a significant proportion of our products are being exported indirectly.

We have recently concluded agreements with two companies in North America to distribute a selected range of our products. This is a significant breakthrough in this area for us and we are confident that these products are both competitive in price and attractive in design to meet this particular market.

Prospects

The forecasts we have prepared for the current financial year are encouraging. Despite the present recession in the building industry, the order books for most of our companies at the moment are more buoyant than the corresponding period last year and providing there are no unexpected outside influences over which we have no control, I believe we shall reap the benefits of the considerable capital expenditure on plant and modernisation which we have incurred over the past year.

In conclusion, I would like to express the appreciation of the Board to all our employees. Their loyalty and hard work has been reflected in the encouraging results for the year and consequently have made the Company stronger for both employees and shareholders.

Michael L. B. Wright

Chairman

21st October 1977

Newman-Tonks Limited

DIRECTORS' REPORT

The directors have pleasure in presenting the Audited Accounts for the year ended 31st July 1977.

Activities

The Company and its subsidiaries are concerned with the manufacture of architectural hardware, non-ferrous tube and extrusions, components for a wide range of trades and industrial and decorative transfers.

During the year, in conjunction with another Birmingham company, the Group established a subsidiary, Newpeer Aluminium Limited, in The Republic of Ireland to manufacture aluminium castings and architectural hardware.

As reported last year N. T. (Oldham) Limited and J. Crowther (Royton) Limited ceased operations.

Turnover and Profit

Group turnover and profit before tax attributable to the different classes of the Group's activities were as follows:-

	Turnover		Profit before Taxation	
	1977	1976	1977	1976
	£000	£000	£000	£000
Manufacture of architectural and builders' hardware etc.	18,109	15,293	1,576	938
Manufacture of industrial and decorative transfers	1,953	1,084	149	93
	<u>£20,062</u>	<u>£16,357</u>	<u>£1,725</u>	<u>£1,031</u>

Dividend

An interim dividend of £78,958 (.80p per share) has been paid during the year and the directors recommend the payment of a final dividend of £279,313 (2.83p per share).

The retained profit of £192,214 is added to the reserves of the Group.

Employees

The average number of employees of the Group in the United Kingdom during the year was 1,714 and their aggregate remuneration amounted to £4,668,771.

The policy of the directors is to achieve and maintain a high standard of safety and health for the Group's employees and to conduct the Group's activities with appropriate safeguards against exposing the general public to risks to their safety and health.

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Exports and Geographical Analysis of trading results

The value of goods exported by the Group during the year was £2,547,859 (1976: £1,490,450).

The results for the year are analysed as follows:-

	Turnover		Trading Profits	
	1977	1976	1977	1976
	%	%	%	%
Africa	2.7	3.2	5.1	9.1
Australasia	5.3	5.8	10.6	17.2
North America	0.5	0.9	—	0.1
U.K. Companies	91.5	90.1	84.3	73.6
	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

Directors

The present directors of the Company are listed below.

Mr. W. E. Clarkson retires by rotation and, being eligible, offers himself for re-election.

The directors have interests in the shares of the Company as follows:

	31st July 1977	1st August 1976
M. L. B. Wright	207,800	217,800
as trustee	60,175	60,175
E. T. Barnes	177,034	177,034
as trustee	85,716	95,792
H. C. Shead	123,850	123,850
as trustee	85,716	85,716
W. E. Clarkson	2,443	2,443
J. F. Williams	1,000	1,000
T. C. Frankland	400	—

There have been no changes in the directors' interests in the shares of the Company between 31st July and 7th October 1977.

None of the directors has, nor during the financial year had, a beneficial interest in any contract to which the Company or any of its subsidiaries is, or was, a party.

Mr. M. C. A. S. Stokes resigned from the Board on 31st July 1977.

Substantial Holdings

So far as is known no shareholders, whether a company or individual, has any beneficial interest in 5% or more of the share capital of the Company.

Charitable and Political Donations

Donations to U.K. charitable organisations amounted to £315 and to the Conservative Party £500.

Income and Corporation Taxes Act 1970

In the opinion of the directors, the Company is not a close company within the provisions of the Act.

Auditors

In accordance with Section 14 of the Companies Act 1976 a resolution proposing the re-appointment of Deloitte & Co. as auditors of the Company will be put to the Annual General Meeting.

By order of the Board
William E. Clarkson
Secretary
18th October 1977

Newman-Tonks Limited and Subsidiaries

Group Profit and Loss Account

for the year ended 31st July 1977

9

Notes	1977 £000	1976 £000
1 Turnover	£20,062	£16,357
2 Trading profit	1,721	1,027
Share of profit of associated company	4	4
Profit before taxation	1,725	1,031
4 Taxation	863	475
Profit after taxation	862	556
Attributable to outside shareholders	60	82
5 Extraordinary items	802	474
	252	—
Profit attributable to shareholders	550	474
6 Dividends		
Interim paid	79	69
Final proposed	279	252
	358	321
	192	153
Retained profits brought forward		
As previously reported	3,298	3,157
14 Prior year adjustment	54	42
As restated	3,352	3,199
Retained profits carried forward		
Newman-Tonks Limited	2,158	2,298
Subsidiary companies	1,381	1,047
Associated company	5	7
	£3,544	£3,352
Earnings per 25p ordinary share	8.13p	4.80p

Newman-Tonks Limited and Subsidiaries

Group Balance Sheet

31st July 1977

Notes	1977		1976
	£000	£000	£000
8	Share capital	2,467	2,467
9	Reserves	3,609	3,416
	Minority interest	441	367
	Total capital and reserves	<u>£6,517</u>	<u>£6,250</u>
10	Fixed assets	3,741	2,818
12	Investments	293	224
13	Associated company	9	11
	Current assets		
14	Stocks	7,177	6,398
	Debtors	4,870	3,974
	Bank balances and cash	181	219
		<u>12,228</u>	<u>10,591</u>
	Less Current liabilities		
	Creditors	3,450	2,612
	Bank loans and overdrafts	2,584	2,546
	Taxation	394	349
	Proposed dividend	279	252
		<u>6,707</u>	<u>5,759</u>
		5,521	4,832
		<u>9,564</u>	<u>7,885</u>
15	Less Deferred liabilities	3,047	1,635
	Total net assets	<u>£6,517</u>	<u>£6,250</u>

Signed on behalf of the Board

Michael L.B. Wright
Edward T. Barnes

Directors

[Handwritten signatures of Michael L.B. Wright and Edward T. Barnes]

Newman-Tonks Limited

Balance Sheet

20th July 1977

11

Notes		1977 £000	1976 £000
8	Share capital	2,467	2,467
9	Reserves	3,659	3,800
	Total capital and reserves	£6,126	£6,267
10	Fixed assets	1,977	1,729
12	Investments	293	223
13	Associated company	9	11
10	Subsidiary companies	2,689	2,632
	Current assets		
14	Stocks	4,796	4,089
	Debtors	2,773	2,224
	Bank balances and cash	29	9
		7,603	6,322
	Less Current liabilities		
	Creditors	1,913	1,361
	Bank loans and overdrafts	2,137	2,010
	Taxation	52	51
	Proposed dividend	279	252
		4,381	3,674
		3,222	2,648
		8,190	7,143
15	Less Deferred liabilities	2,064	876
	Total net assets	£6,126	£6,267

Signed on behalf of the Board

Michael L. B. Wright }
Edward T. Barnes } Directors

Newman-Tonks Limited and Subsidiaries

Source and Application of Funds

SOURCE OF FUNDS

	1977	1976
	£000	£000
Trading profit	1,721	1,027
Less Extraordinary items before taxation	422	
	<u>1,299</u>	<u>1,027</u>
Items not involving the movement of funds:		
Depreciation	277	248
Exchange differences	(21)	42
Goodwill written off following the disposal of a subsidiary	23	
	<u>279</u>	<u>290</u>
	<u>1,578</u>	<u>1,317</u>
Funds from other sources		
Disposals of fixed assets and investments	366	26
Medium term bank loans	1,400	
Outside shareholders	14	
	<u>1,780</u>	<u>26</u>
	<u>£3,358</u>	<u>£1,343</u>

APPLICATION OF FUNDS

Dividends paid	331	292
Tax paid	431	512
Purchase of fixed assets	1,566	687
Purchase of investments	69	
Premium on acquisition of subsidiaries	—	24
	<u>2,397</u>	<u>1,515</u>
Increase/(Decrease) in working capital		
Increase in stocks	779	385
Increase in debtors	896	91
(Increase) in creditors	(838)	(655)
Increase/(Decrease) in net liquid funds	124	(859)
	<u>961</u>	<u>(172)</u>
	<u>£3,358</u>	<u>£1,343</u>

Notes on the Accounts

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1 Accounting policies

(a) Basis of Accounting

The Group accounts have been prepared under the historical cost convention.

(b) Basis of consolidation

The Group accounts consolidate the accounts of the Company and its subsidiaries, the principal of which are listed on page 17.

The results of subsidiaries acquired during the year are included in the consolidated profit and loss account from their effective dates of acquisition. Any difference between the consideration price of such acquisition and the net book value of the net tangible assets at the date of acquisition is dealt with through reserves.

(c) Foreign Currencies

Profits and losses and assets and liabilities in foreign currencies are expressed in sterling at the rates ruling at the balance sheet date. Differences arising from changes in exchange rates are dealt with through reserves.

(d) Turnover

Turnover represents the amount receivable for goods and services supplied to external customers of the Group excluding value added tax.

(e) Research and Development

Expenditure on research and development is charged in the profit and loss account in the year in which it is incurred.

(f) Stocks

Finished goods and work-in-progress have been valued at the lower of cost and estimated realisable value. Cost comprises materials, direct labour and an appropriate proportion of works overhead expenses. Raw materials have been valued at the lower of cost and estimated realisable value.

(g) Fixed assets and depreciation

Grants receivable in respect of fixed assets have been credited against the cost of those assets.

Depreciation is calculated to write off the cost of fixed assets in equal annual instalments generally at the following rates:

Freehold buildings	2%
Leasehold properties	Over the unexpired period of the lease
Plant and equipment	5% — 20%

No depreciation is charged on fixed assets acquired during the year other than motor vehicles.

(h) Deferred taxation

The Group provides for deferred taxation to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for taxation purposes. The rates of taxation used are those ruling at 31st July 1977.

(i) Bank balances

Bank balances are shown before charging cheques drawn prior to 31st July 1977 not cleared by the Group's bankers by that date.

The total of these unrepresented cheques is included in the accounts in creditors.

2 Trading profit

	1977	1976
	£000	£000
This is stated after crediting:		
Income from quoted investments	27	24
and after charging:		
Depreciation of fixed assets	277	234
Plant hire	13	9
Directors' emoluments (fees £4,083; 1976 nil)	101	62
Directors' pensions	11	12
Compensation to a director for loss of office	49	
Auditors' remuneration	25	22
Interest on bank loans and overdrafts	389	414

3 Emoluments of directors and senior employees

The Chairman, who was also the highest paid director, received total emoluments during the year of £27,576, (1976: £22,876).

Number of other directors receiving emoluments of:	1977	1976
Not more than £2,500	one	one
£ 2,501 to £ 5,000	one	one
£10,001 to £12,500	one	—
£12,501 to £15,000	—	—
£15,001 to £17,500	two	—
£20,001 to £22,500	—	—
£25,001 to £27,500	one	—

Emoluments of senior employees:		
£10,001 to £12,500	one	—
£15,001 to £17,500	one	—

4 Taxation

	1977	1976
	£000	£000
Based on the profit for the year		
Corporation tax at 52%	417	320
Deferred taxation	352	86
Corporate tax — overseas subsidiaries	118	109
— overseas associated company	6	3
	893	518
Adjustment of taxation provisions	(30)	(43)
	£863	£475

5 Extraordinary items

Redundancy payments and other costs arising from the closure of N. T. (Oldham) Limited and the disposal of J. Crowther (Royton) Limited	422
Less taxation relief thereon at 52%	170
	£252

6 Dividends

Interim paid 0.80p per share
Final proposed 2.83p per share
The gross equivalent of the dividends paid and proposed for 1977 amounts to 22% (1976: 20%)

7 Earnings per 25p ordinary share

The calculation of earnings per share is based on earnings of £802,116 (1976: £474,033) being the consolidated net profit after tax attributable to shareholders and 9,869,722 ordinary shares in issue during the two years ended 31st July 1977.

1977	1976
8.13p	4.80p

8 Share capital

(Unchanged during the year)

Ordinary shares of 25p each

Authorised

Issued and fully paid

£000	Number
£3,000	12,000,000
£2,467	9,869,722

9 Reserves

	Group £000	Holding Company £000
Capital		
Share premium at 31st July 1976		1,496
Goodwill on consolidation at 31st July 1976	(1,471)	
Amount written off following disposal of J. Crowther (Royton) Limited	23	
	(1,448)	—
Retained profits		
Group	3,539	2,158
Associated company	5	5
Exchange differences	17	—
	<u>£3,609</u>	<u>£3,659</u>

10 Fixed assets

	Freehold properties £000	Leasehold properties £000	Plant and machinery £000
Group			
Cost at 31st July 1976	1,552	421	3,013
Exchange conversions	1	—	5
Additions	540	227	1,083
Grants receivable	(56)	—	(233)
Disposals	(321)	—	(217)
	<u>1,716</u>	<u>648</u>	<u>3,651</u>
Depreciation at 31st July 1976	250	110	1,808
Exchange conversions	—	—	1
Charge for the year	23	10	244
Disposals	(50)	—	(122)
	<u>223</u>	<u>120</u>	<u>1,931</u>
Net book value at 31st July 1977	<u>£3,741</u>	<u>£528</u>	<u>£1,720</u>
The leasehold properties comprise:			
Long leases		£409	
Short leases		£119	
Holding Company			
Cost at 31st July 1976	997	413	1,847
Additions	73	226	431
Disposals	(296)	—	(82)
	<u>774</u>	<u>639</u>	<u>2,196</u>
Depreciation at 31st July 1976	182	110	1,236
Charge for the year	14	9	145
Disposals	(43)	—	(21)
	<u>153</u>	<u>119</u>	<u>1,360</u>
Net book value at 31st July 1977	<u>£1,977</u>	<u>£520</u>	<u>£836</u>
The leasehold properties comprise:			
Long leases		£405	
Short leases		£115	

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11 Capital expenditure

The aggregate amount of capital expenditure authorised by the directors at 31st July 1977 and not provided for in these accounts was £732,000 (1976: £32,000). Of this, contracts had been placed for £43,000 (1976: £23,000).

Under the terms of a building agreement the Company is required to complete the second storey of one of its premises not later than 8th April 1978.

12 Investments

	Group		Holding Company	
	1977	1976	1977	1976
	£000	£000	£000	£000
Quoted at cost	<u>£293</u>	<u>£224</u>	<u>£293</u>	<u>£223</u>
Market value of quoted investments	<u>£444</u>	<u>£254</u>	<u>£444</u>	<u>£254</u>

This investment represents a holding in a company incorporated in Great Britain which is in excess of 10% of that company's issued equity share capital:-

	Shares		Book
	Issued	Held	Value
R. Cartwright (Holdings) Limited			
Ordinary shares of 10p each	3,683,387	893,740	£292,723

The investment was sold after 31st July 1977 realising a surplus over book value of £214,000.

13 Associated company

	1977	1976
	£000	£000
William Newman & Sons (Australia) Holdings Proprietary Limited		
2,500 Ordinary shares of A\$2 each at cost	2	2
(50% of issued equity share capital)		
Group share of retained profits	5	7
Loan from Group company	<u>2</u>	<u>2</u>
	<u>£9</u>	<u>£11</u>

14 Stocks

	Group		Holding Company	
	1977	1976	1977	1976
	£000	£000	£000	£000
The amount in respect of stocks comprises:				
Raw materials and stores	2,431	2,110	1,551	1,206
Work in progress	2,789	2,611	1,909	1,306
Finished goods	<u>1,957</u>	<u>1,662</u>	<u>1,336</u>	<u>1,077</u>
	<u>£7,177</u>	<u>£6,383</u>	<u>£4,796</u>	<u>£3,589</u>

In order to comply with the provisions of Statement of Standard Accounting Practice No. 9 an adjustment has been made to the basis of valuation of finished goods stock, resulting in an increase in the valuation at 31st July 1976 of £53,621. This increase has been adjusted on reserves. The trading profit for the year ended 31st July 1977 has been increased by £19,805 (1976: £11,848) as a result of this change of basis.

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15 Deferred liabilities	Group		Holding Company	
	1977	1976	1977	1976
	£000	£000	£000	£000
(a) Deferred taxation				
Corporation tax payable after 1st August 1978	29	160	—	—
The excess of tax allowances on plant and machinery over the equivalent charges for depreciation provided in the accounts	487	439	314	268
Tax deferred in respect of stock relief	1,475	1,172	1,094	806
	1,991	1,771	1,408	1,012
Less Advance Corporation tax recoverable	144	136	144	136
	1,847	1,635	1,264	876
(b) Medium term bank loan bearing interest at 2½ % above London inter bank offered rate and repayable in 4 equal annual instalments commencing December 1978	800	—	800	—
(c) 2% Redeemable Cumulative 'A' Preference shares in Newpeer Aluminium Limited held by that company's bankers and bearing, in addition to the fixed dividend, a further dividend at a rate approximately equivalent to one half of the Dublin inter bank market rate. The shares are to be redeemed by 10 half yearly instalments commencing September 1978.	400	—	—	—
	£3,047	£1,835	£2,064	£876

16 Subsidiary companies	1977		1976	
	£000	£000	£000	£000
Shares at cost		4,935		4,919
Less Provision for losses of subsidiary companies		937		681
		3,998		4,217
Amounts due from subsidiaries	1,639		1,205	
Less Amounts due to subsidiaries	2,948		2,830	
		(1,309)		(1,685)
		£2,689		£2,532

The Company has guaranteed the solvency of its U.K. subsidiaries and has guaranteed the bank borrowings of certain subsidiaries up to a maximum of £686,000.

The Company has also guaranteed to redeem a subsidiary's preference share capital should that company fail in its obligation to redeem such shares (see note 15).

The principal trading subsidiaries are as follows:—

	Incorporated in	Proportion of Equity held by	
		Holding Company	Subsidiaries
		%	%
Architectural Hardware Limited	Great Britain	100	
Auto Pressings (Leicester) Limited	Great Britain	20	80
Automatic Doors Limited	Great Britain	100	
Decorette Marketing Services Limited	Great Britain		90
Eagle Transfers Limited	Great Britain		90
Hudson, Edmunds & Company Limited	Great Britain	100	
Newman (Controls) Limited	Great Britain	100	
N. T. Locks Limited	Great Britain	100	
Stanmore Springs Limited	Great Britain	100	
Stanmore Springs (Leeds) Limited	Great Britain		100
Victor Walker (Hardware) Ltd	Great Britain	100	
Stanmore Springs (Hamburg, GmbH)	Germany		85
Newman-Tonks Proprietary Limited	Australia	51	
William Newman & Sons (N.Z.) Limited	New Zealand	51	
Newman-Tonks (Canada) Limited	Canada	100	
Newman-Tonks (S.A.) (Proprietary) Limited	South Africa	51	
Newpeer Aluminium Limited	The Republic of Ireland	50.01	

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Newman-Tonks Limited

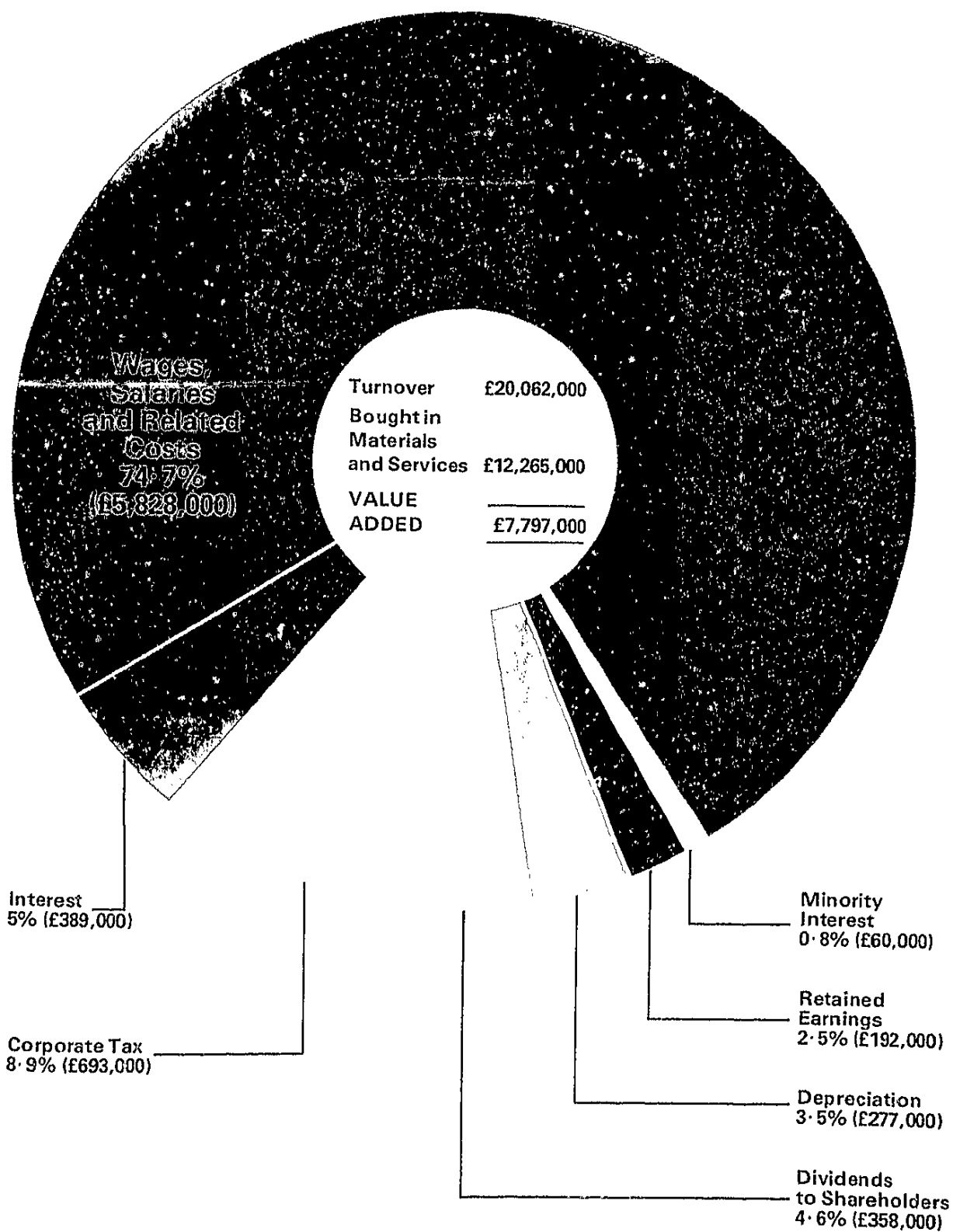
Report of the Auditors

To the Members of Newman-Tonks Limited

In our opinion, the Accounts set out on pages 9 to 17, which have been prepared on the historical cost basis of accounting, give, on this basis, a true and fair view of the state of affairs of the Company and the Group at 31st July 1977, and of the profit and source and application of funds for the year ended on that date and comply with the Companies Acts 1948 and 1967.

DELOITTE & CO.
Chartered Accountants
Birmingham
1st November 1977

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Newman-Tonks Limited and Subsidiaries

Five Years' Results

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	1977 £000	1976 £000	1975 £000	1974 £000	1973 £000
Turnover	20,062	16,357	15,200	15,071	11,130
Profits					
Group profit before taxation	1,725	1,031	1,507	1,917	1,510
Taxation	863	475	822	1,012	636
Net profit after taxation	862	556	685	905	874
Dividends					
On ordinary shares	358	321	292	272	271
Rate (Gross equivalent)	22.00%	20.00%	18.19%	16.54%	15.75%
Net assets					
Fixed assets	3,741	2,818	2,402	2,382	2,423
Investments	293	224	224	341	71
Associated company	9	11	9	7	9
Net current assets	5,521	4,832	4,897	3,136	2,906
	<u>9,564</u>	<u>7,885</u>	<u>7,532</u>	<u>5,866</u>	<u>5,409</u>
Capital employed					
Issued capital	2,467	2,467	2,467	2,459	1,229
Reserves	3,609	3,416	3,202	2,930	3,757
Minority interest	441	367	284	210	147
Deferred liabilities	3,047	1,635	1,579	267	276
	<u>9,564</u>	<u>7,885</u>	<u>7,532</u>	<u>5,866</u>	<u>5,409</u>